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October 4, 2017

VIA E-PORTAL FILING

Ms. Carlotta S. Stauffer
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20170003 – Purchased Gas Adjustment (PGA) True-Up

Dear Ms. Stauffer:

Attached for electronic filing in the above docket on behalf of Peoples Gas System, please find Peoples' Prehearing Statement.

Your assistance in this matter is greatly appreciated.

Sincerely,

Andrew M. Brown

AB/plb
Attachment

cc: Parties of Record
Ms. Kandi M. Floyd
Ansley Watson, Jr., Esq.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Purchased gas adjustment)
(PGA) true-up.)
_____)

DOCKET NO. 20170003-GU
Submitted for filing:
10-4-17

**PEOPLES GAS SYSTEM'S
PREHEARING STATEMENT**

Peoples Gas System ("PGS"), by its undersigned attorneys, submits the following Prehearing Statement for the hearing scheduled to be held in the above docket commencing October 25, 2017.

A. WITNESSES

| <u>Witness</u> | <u>Subject Matter</u> | <u>Issues</u> |
|-------------------------|---|---------------|
| (Direct) | | |
| Kandi M. Floyd (PGS) | Projected gas costs, therm sales and weighted average cost of gas ("WACOG"); final PGA true-up amount for January 2016 - December 2016; estimated PGA true-up amounts for January 2017- December 2017; total PGA true-up amount for January 2017 - December 2017; and levelized PGA cost recovery (cap) factor for January 2018 - December 2018 | 1-6 |

B. EXHIBITS

| <u>Exhibit</u> | <u>Witness</u> | <u>Description</u> |
|------------------|----------------|--|
| _____ (KMF-1) | Floyd | Calculation of final true-up for January 2016 - December 2016 (Schedule A-7) |
| _____ KMF-2) | Floyd | Calculation of estimated true-up for January 2017 - December 2017; total |

true-up for January 2017 – December 2017); calculation of PGA factor for January 2018 – December 2018 (Schedules E-1 through E-5)

C. STATEMENT OF BASIC POSITION

PGS's Statement of Basic Position:

The Commission should approve PGS's final PGA true-up amount of \$1,089,984 over-recovery for the period January 2016 through December 2016; its actual/estimated PGA true-up amount of \$4,594,365 under-recovery for the period January 2017 through December 2017; and its levelized PGA (cap) factor of \$1.04915 per therm for the period January 2018 through December 2018. (Floyd)

D. STATEMENT OF ISSUES AND POSITIONS

Generic Purchased Gas Adjustment Issues

ISSUE 1: What are the final purchased gas adjustment true-up amounts for the period January 2016 through December 2016?

PGS: \$1,089,984 over-recovery (Floyd)

ISSUE 2: What are the actual/estimated purchased gas adjustment true-up amounts for the period January 2017 through December 2017?

PGS: \$4,594,365 under-recovery (Floyd)

ISSUE 3: What are the total purchased gas adjustment true-up amounts to be collected during the period January 2018 through December 2018?

PGS: \$3,504,381 under-recovery (Floyd)

ISSUE 4: What are the levelized purchased gas cost recovery (cap) factors for the period January 2018 through December 2018?

PGS: \$1.04915 per therm (Floyd)

ISSUE 5: What should be the effective date of the new purchased gas adjustment charge for billing purposes?

PGS: The charge should be effective beginning with the specified purchased gas cost recovery cycle and thereafter for the period January 2018 through December 2018. Billing cycles may start

before January 1, 2018, and the last cycle may be read after December 31, 2018, so that each customer is billed for twelve months regardless of when the adjustment charge became effective. (Floyd)

ISSUE 6: **Should the Commission approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding?**

PGS: The Commission should approve revised tariffs reflecting the new purchased gas adjustment charges determined to be appropriate in this proceeding. The Commission should direct staff to verify that the revised tariffs are consistent with the Commission's decision. (Floyd)

E. STIPULATED ISSUES

None as to PGS.

F. PENDING MOTIONS

None as to PGS.

G. PENDING CONFIDENTIALITY CLAIMS OR REQUESTS

PGS has no pending confidentiality claims or requests at this time.

H. COMPLIANCE WITH ORDER ESTABLISHING PROCEDURE

PGS has complied with all requirements of the Order Establishing Procedure in this docket.

Dated this 4th day of October, 2017.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Andrew M. Brown". The signature is written in a cursive style and is positioned above a horizontal line.

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Attorneys for Peoples Gas System

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing Prehearing Statement have been furnished by electronic mail this 4th day of October 2017, to the following:

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